
**SENATE COMMITTEE ON ENERGY, UTILITIES AND
COMMUNICATIONS**

**Senator Josh Becker, Chair
2025 - 2026 Regular**

Bill No:	AB 13	Hearing Date:	7/15/2025
Author:	Ransom		
Version:	5/23/2025 Amended		
Urgency:	No	Fiscal:	Yes
Consultant:	Nidia Bautista		

SUBJECT: Public Utilities Commission: membership: reports

DIGEST: This bill makes changes to the California Public Utilities Commission (CPUC), including requiring specified geographic representation of commissioners and specified reporting to the Legislature concerning utility rate-setting cases at the CPUC.

ANALYSIS:

Existing law:

- 1) Establishes and vests the CPUC with regulatory authority over public utilities. Require the CPUC to consist of members appointed by the Governor and approved by the Senate. (California Constitution §1 of Article XII)
- 2) Requires the president of the CPUC to appear annually before the appropriate policy committees of the Senate and the Assembly to present certain information. (Public Utilities Code §321.6)
- 3) Authorizes the CPUC to fix the rates and charges for public utilities, and requires that those rates and charges be just and reasonable. (Public Utilities Code §451)
- 4) Requires the CPUC to report annually to the Legislature on the timeliness in resolving cases, including the number of orders issued extending the statutory deadline. (Public Utilities Code §910.1)

This bill:

- 1) Relevant to CPUC Commissioners:

- a) Requires that four members of the CPUC represent the geographic locations of the four State Board of Equalization (BOE) districts, existing as of January 1, 2026.
 - b) Requires that one member be an at-large member with expertise in nongovernmental public advocacy or public interest law and with a nongovernmental background, particularly consumer protection.
 - c) Provides that a member of the CPUC whose term of office has not expired by January 1, 2026, remains a member until the term expires or the member resigns.
 - d) Requires the Governor, when existing terms expire, to appoint a person to the CPUC consistent with the geographic representations or at-large member requirements of this bill.
- 2) Relevant to reporting to the Legislature regarding utility rate cases:
- a) Requires the president of the CPUC, at the annual appearance before the relevant policy committees to also present information related to rates affordability and ratesetting cases decided by, or pending before, the CPUC.
 - b) Specifies that the information in the CPUC's annual report to the Legislature includes the number of cases in which the CPUC failed to issue a decision within the statutory deadline.
 - c) Requires the CPUC, within 15 days of adopting a final decision on a ratesetting case, to submit to the Legislature a report containing certain information regarding the ratesetting case.

Background

About the CPUC. The CPUC began as the California Railroad Commission in the late 1870s, following the completion of the transcontinental railroad. Public backlash against the influence of the railroad on lawmakers, especially the Southern Pacific Railroad, led to reforms of state government as part of the Progressive Movement in the early 1900s. Among the reforms, a reconfigured version of the California Railroad Commission was created in 1911, along with the passage of the Public Utilities Act in 1912, which brought for-profit transportation, water, electricity and gas, and telephone/telegraph service under the jurisdiction of the California Railroad Commission. In 1946, the agency was renamed the California Public Utilities Commission. Today, the CPUC is the largest state utility regulator in the nation. The CPUC regulates critical and essential services, including privately owned communications, electric, natural gas and water companies, as well as, railroad safety, rail transit, and licensing of passenger for-hire transportation carriers (including ride-hailing companies such as Uber and

Lyft). The core mission of the CPUC is to ensure Californians access to safe, reliable utility infrastructure and services at just and reasonable rates.

CPUC Commissioners. As noted above, Section 1 of Article XII of the California Constitution establishes that the CPUC has five commissioners appointed by the Governor, and confirmed by the Senate, with each commissioner serving six-year staggered terms. No executive of a public utility may serve as a commissioner within two years of working for a utility. Commissioners meet at monthly (often semi-monthly) business meetings to vote on pending items at the agency. Commissioners serve full-time and receive a salary as civil executive officers. The Governor designates the president of the CPUC, pursuant to Public Utilities Code §305, among the five commissioners. The president presides at meetings and sessions of the CPUC and directs the executive director, the attorney, and other staff of the CPUC. The president of the CPUC is also required to annually appear before the appropriate policy committees of the Senate and Assembly to present the annual report of the agency, required pursuant to Public Utilities Code §910.

Expanding public access of the CPUC across the state. In the aftermath of the September 2010 Pacific Gas & Electric San Bruno natural gas pipeline explosion that killed eight residents, there was increased scrutiny of the gas utility and of the CPUC, as its regulator. Numerous reforms were adopted via legislative and administrative actions to bolster safety, as well as, efforts to increase public access to CPUC processes. Specifically, SB 512 (Hill, Chapter 808, Statutes of 2016) authorized the CPUC to hold its monthly business (voting) meetings outside of San Francisco headquarters and also requires the CPUC to report on the public meetings held outside San Francisco. AB 2903 (Gatto, 2016) attempted to require the CPUC to evaluate and report by March 31, 2017 options to locate its operations and staff outside of the CPUC's San Francisco headquarters. The bill stalled in the Legislature, but the report proposed in the bill was adopted in a budget trailer bill that year, SB 840 (Committee on Budget and Fiscal Review, Chapter 341, Statutes of 2016). The *Senate Bill 840 Report: Location Options for CPUC Operations* was published by the agency on March 31, 2017 which explored options for staffing locations in areas that would support better collaboration with other state agencies and promote public accessibility to the agency. The COVID-19 pandemic has also expanded access to many governmental bodies, including the CPUC, which now allow for remote participation of the public via phone calls to provide public comment from any location. Thereby, no longer limiting public access to strictly those attending meetings/hearings in person. In the case of the CPUC, that has allowed residents from throughout California to call into the CPUC voting meetings which may be held in San Francisco or other locations in the state.

Board of Equalization geographic districts. The BOE was created in 1879 by a constitutional amendment, the BOE was initially responsible for ensuring that county property tax assessment practices are equal and uniform throughout California. The BOE administers three tax programs that produce revenue essential to our state. The BOE hears appeals from public utility assessments and serves a significant role in the assessment and administration of property taxes by issuing rules and regulations, establishing the tax values of railroads and certain privately-held public utilities, and overseeing the assessment practices of the state's 58 County Assessors. The BOE board consists of five members who serve concurrent four-year terms. One member is elected from each of California's four BOE geographic districts. (The State Controller, elected at large, serves as the BOE's board fifth member.) Each of the four geographic districts represent approximately 9.5 million residents representing a specific list of counties. Below is a list of the counties encompassed within each of the BOE's four districts and a corresponding map:

- BOE District 1 – encompasses the counties of Alpine, Amador, Butte, Calaveras, Colusa, El Dorado, Fresno, Glenn, Inyo, Kern, Kings, Lassen, Madera, Mariposa, Merced, Modoc, Mono, Nevada, Placer, Plumas, Sacramento, San Bernardino, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Stanislaus, Sutter, Tehama, Tulare, Tuolumne, Yolo, Yuba
- BOE District 2 – encompasses the counties of Alameda, Contra Costa, Del Norte, Humboldt, Lake, Marin, Mendocino, Monterey, Napa, San Benito, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Sonoma, Trinity, Ventura
- BOE District 3 – encompasses the county of Los Angeles
- BOE District 4 – encompasses the counties of Imperial, Orange, Riverside, San Bernardino, San Diego

Map of Board of Equalization Districts



Comments

Need for this bill. The author states:

AB 13 reforms the California Public Utilities Commission (CPUC) and demands more accountability to California residents. It is a critical step toward holding the CPUC accountable for the constant utility rate hikes that burden both families and businesses. Californians are already paying some of the highest rates in the nation, and it's time the CPUC provides transparency and justification for these increases. For years, rate hikes have been approved with little to no explanation, putting public trust in jeopardy. Consumers turn to the Legislature for decisions that are made by an agency with no constituency to respond to. This bill reforms the makeup of the CPUC requiring diverse geographic representation, demands timely and clear reporting on rate changes, ensuring opportunity to challenge/repeal decisions before they go into effect. The CPUC needs to be held accountable to the people they serve, not just private investors. AB 13 will bring much-needed oversight to a system that has failed to prioritize the needs of everyday Californians.

Geographic representation of CPUC commissioners. Similar to recent previous bills which sought regional diversity of CPUC commissioners, such as AB 1960 (Villapadua, 2022), this bill also seeks geographic diversity among the commissioners at the CPUC. The arguments for such requirements and considerations have included similar requirements of other state agencies,

including the California Air Resources Board which includes representation of local air districts (among others), and that geographic representation would benefit the CPUC given its mission and the many diverse utilities and service providers it regulates. Supporters of this bill also note the desire to have commissioners live the utility experiences of other regions of the state, including the San Joaquin Valley and Southern California.

The CPUC's SB 840 Report noted potential benefits for staff residing in different parts of the state, contending "there may well be considerable value in our staff being customers of the utilities, and being a part of the communities where the impacts of those utilities are felt." In that regard, it would seem reasonable that such benefits could extend to commissioners. However, unlike previous bills that only require consideration of regional diversity for appointment of commissioners, such as AB 1960 (Villapadua, 2022), this bill requires the Governor to appoint commissioners from specified BOE geographic districts. While geographic districts may provide geographic representational benefits, they also have some limitations, not the least of which is the service territories of the many utilities and service providers regulated by the CPUC do not generally align with specified county jurisdictions. In this regard, this bill could hinder appointments that could be beneficial for the agency in other respects, including professional expertise or limit individuals who may have lived in a part of the state but moved to a different region. *To the extent members of the committee wish to preserve discretion regarding the commissioners appointed to the CPUC irrespective of BOE geographic districts, the author and committee may wish to amend this bill to remove provisions of this bill that require specified geographic representation of CPUC commissioners, while maintaining the requirement to have a commissioner with expertise on consumer protection.*

Reporting to the Legislature concerning rate-setting cases. The other elements of this bill which require specified notifications to the Legislature of final decisions in rate-setting cases adopted by the CPUC, additional reporting of the status of rate-setting proceedings within the annual report to the Legislature, and the annual appearance in front of the Legislature by the President of the CPUC, seem reasonable and consistent with the Legislature's interest in transparency and a desire for continued vigilance on affordability of utility service.

Prior/Related Legislation

AB 705 (Boerner) of 2025, establishes the Independent Office of Audits and Investigations at the CPUC, which would be led by the Inspector General. The new office would be responsible for assessing accounting practices, or any fraud or malfeasance among other responsibilities. The bill is pending in this committee.

AB 1273 (Patterson) of 2025, forbids the CPUC from placing applications for a rate increase from electrical corporations onto its consent calendar. The bill also requires at least 30 minutes of public comment at a hearing to consider an application for a rate increase from electrical corporations. The bill is pending in this committee.

AB 1960 (Villapudua) of 2022, stated regional qualifications the Governor and Senate should consider, beginning January 1, 2024, when selecting a person to serve as a commissioner on the CPUC. Largely similar to AB 1471 without the provisions to authorize the CPUC to consider moving its headquarters out of San Francisco. The bill was vetoed.

AB 1471 (Villapudua) of 2021, stated regional qualifications the Governor and Senate should consider when selecting a person to serve as a commissioner on the CPUC, and authorized the CPUC to consider locating its headquarters in a city other than San Francisco. The bill died in the Senate Appropriations Committee.

AB 979 (Holden, Chapter 316, Statutes of 2020) required publicly held corporations to fill their board seats with a minimum number of directors from underrepresented communities, as specified.

SB 19 (Hill, Chapter 421, Statutes of 2017) mandated a set of reforms for the CPUC including prohibiting public utility executives from serving as CPUC commissioners within two years of employment with a utility.

SB 215 (Leno, Chapter 807, Statutes of 2016) mandated a series of reforms over the rules and operation governing the CPUC. This in particular relates to laws and rules governing ex parte communications and recusal processes for commissioners within proceedings.

SB 840 (Committee on Budget and Fiscal Review, Chapter 341, Statutes of 2016), among its many provisions, required the CPUC to report by March 31, 2017 on options to locate their operations and staff outside of the CPUC's San Francisco headquarters.

SB 512 (Hill, Chapter 808, Statutes of 2016) proposed a suite of reforms to the operations and governance of the CPUC, including removing the requirement that the CPUC monthly meetings be held in San Francisco; requiring the CPUC to solicit input from customers from diverse regions of the state, process that input into CPUC decision making, and report on the efforts to increase public participation; and requiring the CPUC to list the public meetings held outside San

Francisco both for the previous year and anticipated in the coming year; report on timeliness of ratecases.

AB 2903 (Gatto) of 2016, among its many provisions, would have required the CPUC to report by March 31, 2017 on options to locate their operations and staff outside of the CPUC's San Francisco headquarters. The bill was held in this committee.

AB 825 (Rendon) of 2015, proposed a suite of reforms to the CPUC to make the agency more accessible and transparent to the public. The bill was vetoed.

AB 1023 (Rendon) of 2015, proposed to codify the summary log requirements currently required at the CPUC for rate-setting proceedings and extend those requirements to quasi-legislative proceedings. The bill was vetoed.

SB 48 (Hill, 2015) proposed a suite of reforms to the governance and operations of the CPUC, including requiring sessions in Sacramento, clarifying and augmenting the information the CPUC must provide the Legislature in its annual reports. The bill was vetoed.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

SUPPORT:

San Diego Gas & Electric Company

OPPOSITION:

None received

ARGUMENTS IN SUPPORT: According to San Diego Gas & Electric Company (SDG&E):

SDG&E supports AB 13 (Ransom), because it puts transparency, accountability, and regional representation at the heart of how the California Public Utilities Commission (Commission) operate. ...Under AB 13, the Commission must report to the Legislature within 15 days of every rate-setting decision, explaining what evidence was provided and why commissioners voted the way they did. AB 13 also requires the Commission report how many cases miss their legal deadlines, creating pressure to resolve rate cases faster instead of letting them drag on for years. No more waiting months or years to understand decisions that affect millions of Californians. California families

can't afford to wait for transparency. They need commissioners who understand their communities and regulators who account for their decisions promptly. AB 13 is a common-sense policy that will add transparency to Commission processes, increasing public trust and helping Californians better understand the state's increasingly complex energy landscape.

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